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TO: Chief Elected Officials
Workforce Investment Board Directors
Steering Committee

FROM: Craig E. Hartzer
Commissioner

DATE: November 5, 1999

SUBJ: DWD Communication 1999-21
Rapid Response Resources for Serving Dislocated Workers
Under the Workforce Investment Act (WIA)

RE: WIA Title I, PL38

Purpose: To provide policy about the availability and use of Workforce Investment Act (WIA) Title I rapid response funds and State Workforce Development Funds (traditionally called PL38) for dislocations and emergency assistance.

Rescission: DWD Communications 97-55, dated April 15, 1998.

Content: In spite of a strong national and state economy, downsizings and closures in Indiana have continued at a fairly steady rate. Consolidations, loss of contracts, and shifts in production out of the country or to other states have led to the loss of many high paying jobs in the state. Nearly 70% of those jobs were in the manufacturing sector. This anomaly of good economy paired with loss of jobs is played out on a nationwide basis. Therefore, Congress and the U.S. Department of Labor (DOL) renewed in WIA the focus on rapidly responding to dislocated workers. Some indicators of this renewed focus are:

- Increased funding nationally for dislocated workers this program year (although Indiana experienced a decrease due to factors in the allocation formula).
- A separate funding stream for dislocated workers under the new Workforce Investment Act.
- A new toll-free national hot-line number for dislocated workers (currently being piloted in several states).
- A national conference for Rapid Response in Washington, DC in July, 1999.
- The provision in WIA Title I is for up to 25% of the dislocated worker funding stream to be set aside for rapid response activities. This marks a distinct change from the Job Training Partnership Act (JTPA) Title III, under which 40% of the dislocated worker fund was set aside as a Governor's Reserve. The Governor's Reserve could be used for rapid response as well as other employment and training activities for dislocated workers.

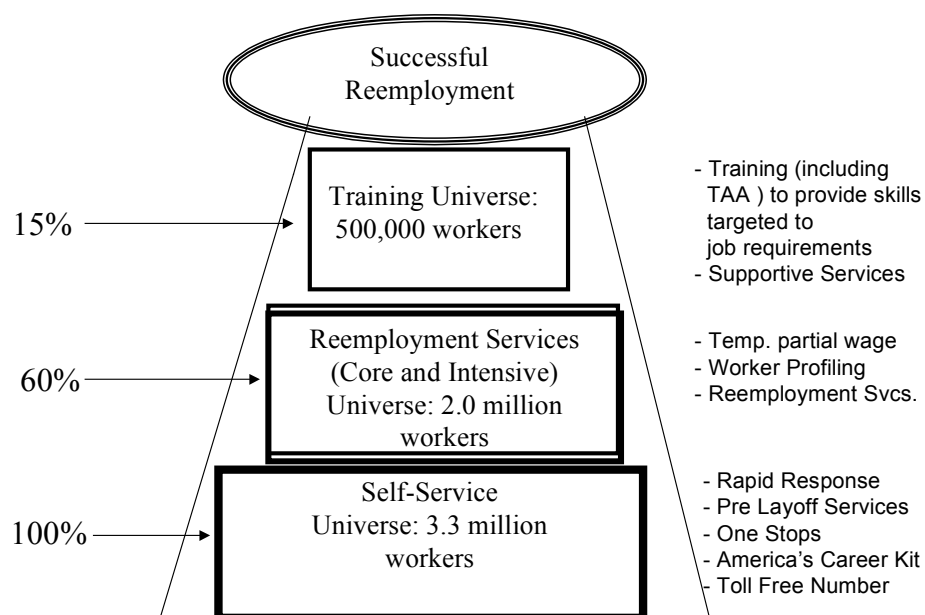
- The development of a national Rapid Response Technical Assistance and Resource Guide.
- The development of a national Rapid Response Peer Expert Directory.
- Congressional action to reauthorize the Trade Adjustment Assistance Program as a program for displaced workers separate from WIA.

THE IMPACT OF WIA IMPLEMENTATION ON DISLOCATED WORKERS

The Workforce Investment Act maintains a separate funding stream for dislocated workers. Unlike JTPA, WIA defines two set-a-sides from the funding stream for discretionary use by the state. The state is to reserve a maximum of 15 percent for statewide activities and up to 25 percent for statewide rapid response activities (sec.133 (a)(1) and (a)(2)). The balance, 60%, is allocated by formula to the Workforce Service Areas (WSAs) for core, intensive, and training services.

The following diagram outlines the Department of Labor's estimated percentage of eligible dislocated workers appropriate for each tier of service. Note the expectation that 100% of the dislocated workers identified through plant closure/mass layoff notices or during interaction with the One-Stop system will receive informational and Self-Service services.

The One Stop System for Dislocated Workers



The WIA approach to serving dislocated workers is different from JTPA. Under JTPA the emphasis was on training. In fact, under JTPA 50% of a grantee's EDWAA allocation had to be spent on training. The emphasis under WIA is to provide up-front informational and emergency

services to affected workers supported by core, intensive, and training services as appropriate. The emphasis is on *finding suitable employment as quickly as possible*, not necessarily entering training. The vehicle for accomplishing this is to assist the worker in moving through a series of informational, self-service, core, intensive, and training services as appropriate.

JTPA traditionally enrolled on average slightly over one third of the identified eligible dislocated workers. This held true in the past program year as 4,785 were enrolled in formula-funded programs and an additional 2,785 individuals were enrolled under Governor's Reserve grants. Statewide, over 15,000 workers were dislocated. Of those enrolled, some received just basic readjustment services, not retraining. Under WIA, many training options once considered "training" under JTPA may now be considered as "intensive services." The WIA category of intensive services includes ABE/GED, pre-vocational, computer literacy and other non-occupational specific skill enhancing training. Rapid Response funds may be accessed quickly for pre-layoff core and intensive services.

GOALS AND OBJECTIVES

I. Dislocated Workers:

Consistent with WIA goals, Indiana will apply the "work-first" philosophy for dislocated workers by providing rapid response and pre-layoff activities and linkages to One-Stop services. These services will help Indiana's dislocated workers obtain suitable employment as quickly as possible. Indiana will continue to support intensive services and training for those workers identified as needing education or new skills in order to obtain suitable employment through WIA Title I and the Trade Adjustment Assistance Act.

II. Rapid Response:

Consistent with WIA, Indiana's rapid response objective will be to develop an appropriate response tailored to the immediate and long term needs of the affected workers in conjunction with the One-Stop partners, the local WIB, and the community.

The strategies used to meet this objective will be to identify and arrange/provide for appropriate pre-layoff and core services to address the needs of the maximum number of dislocated workers in a pre-layoff mode.* The anticipated outcome will be a timely return to suitable work via effective linkages to the One-Stop, One-Stop partner services, and community services.

- * Rapid Response funding will be used to encourage pre-layoff and core services **on-site** whenever possible. A mix of funding including Rapid Response, sub-state allocation, Workforce Development Funds and National Emergency Grant assistance may be used to fund intensive and training services as well.

POLICY FOR USE OF RAPID RESPONSE FUNDS FOR DISLOCATION EVENTS

"Rapid Response assistance commences at the site of dislocation as soon as a state has received a WARN notice, a public announcement or other information that a mass dislocation or plant closure is scheduled to take place. The Department (DOL) believes that

*this early intervention feature for dislocated workers, provided in a comprehensive and systematic manner through collaboration between the State, Local Boards, One-Stop partners and other applicable entities, is **critical** to enabling workers to minimize the duration of unemployment following layoff. The Department strongly urges States and Local Boards to implement processes that allow for **core services to be an integral part of rapid response assistance, preferably on-site**, if the size of the dislocation and other factors warrant it.” (Section 665.300 prologue.)*

I. Funding:

By law, Indiana must distribute a minimum of 60% of WIA Title I dislocated worker funds to the Workforce Service Areas (WSAs) for local use. These funds are known as the sub-state allocation. DWD will retain 15% for statewide activities. Indiana will reserve 25% of the total state allocation for Rapid Response activities. This 25% set-aside will be utilized to fund two separate Rapid Response initiatives.

Rapid Response “emergency grants” up to \$25,000 to fund service providers in initial *pre-layoff, core, and intensive services*.

Supplemental Sub-state Allocation (SSA) may be requested to fund additional services following the provision of initial services and preliminary assessments.

Funds from the state Workforce Development Fund will be available to provide additional funding to meet local needs, and national reserve grant money will be available to assist with larger dislocations. Leveraging resources from federal, state, local, and community resources, including other One-Stop partners, will be part of the role of state and local rapid response coordinators.

II. Rapid Response:

The Workforce Transition Unit's State Rapid Response Team is responsible for rapid response activities. This team is comprised of four outstationed Regional Rapid Response Coordinators and a manager at the state level. Additionally, Indiana will contract with each of the sixteen WIBs for a Local Rapid Response Coordinator. Local coordinators will work with the Regional Rapid Response Coordinators in organizing services on-site at dislocations of 50 or more and may provide (or arrange for the provision of) group workshops. The WIB may also elect to respond to dislocations of 49 or fewer, utilizing the local coordinator.

Additionally, Indiana will continue to contract with the Indiana AFL-CIO Labor Institute for Training for rapid response support, which includes a number of specific duties and activities. The Regional Rapid Response Coordinators, in conjunction with local coordinators, will provide assistance to the local boards and chief elected officials in developing a coordinated response to dislocation events, in obtaining access to state economic development assistance, and in applying for national emergency grant funds.

Consistent with quality rapid response design principles, rapid response will follow the time-proven protocols such as initial on-site meetings and orientations.

Quality Rapid Response Design Principles:

1. Sooner Rather than Later
2. Aversion Better than Layoff
3. Customer Choice in Design and Delivery of Services
4. Leveraged Resources
5. Seamless Service Delivery
6. On-site Better Than Off-site, or Bring Services to the Workers
7. Active Promotion
8. Success is Measurable
9. Consistent and Accurate Information
10. Partnerships

Indiana promotes the development of a strategic plan for each event. At this planning stage the various stakeholders and service providers will agree upon what services need to be provided, who can provide them and when and where they will be provided. Any of the One-Stop partners, community organizations, and regional or local rapid response coordinators may provide the designated rapid response informational and pre-layoff services. Core, intensive, and training services will be provided by One-Stop partners as agreed to by the local WIB.

A Regional Rapid Response Coordinator will be responsible for ensuring that a planning document is completed for each event. If additional funding is needed to support costs such as staff costs, material, and equipment costs, a funding-needs document may be submitted to DWD for emergency funds.

III. Accessing Rapid Response Emergency Grants and Supplemental Sub-state Allocation Funds for Dislocated Workers

• **Emergency Grants**

1. The Regional Rapid Response Coordinator will work with the Local Rapid Response Coordinator and One-Stop Operator to determine the need for and amount of an Emergency Grant to address a specific dislocation event. The maximum amount that may be requested is \$25,000.
2. A very brief (1 page) strategy letter will be signed by the WIB Director and Regional Rapid Response Coordinator. The letter, which may be faxed, will provide:
 - Name and location of company
 - Number of affected workers
 - Start date of grant modification
 - The amount of Emergency Rapid Response funds being requested
 - Whether a Supplemental Sub-state Allocation request is anticipated

- Which partners will utilize the funds and for what purpose (for example; \$2,000 by the ABE provider for GED testing and instruction; \$3,000 by DWD staff for assessment and on-site workshops; \$10,000 by the WIA entity for workshops, testing and assessment, counseling, job search, etc.). Any part of the emergency grant that is to be utilized by Wagner-Peyser staff will be held at the state level for time charging.
- 3. Emergency Rapid Response funds may ONLY be used for pre-layoff, core and intensive rapid response activities as defined in the Act,. Any participant entering intensive services funded by an Emergency Rapid Response grant must be registered in WIA and will count toward performance.
- 4. Administrative funds are limited to 10% of the amount that is granted to the WIA fiscal agent.
- 5. The strategy letter should be faxed to Sharon Langlotz, the Director of the State Dislocated Worker Unit who, after review, will provide it to Craig Thompson, the Deputy Controller at DWD. The Deputy Controller will return a fax authorizing the WIB Director to expend the amount specified in the letter. The WIB Director may begin expending funds immediately using available formula funds up to the amount identified in the DWD's "letter of Credit" . DWD's "letter of credit" guarantees that the emergency grant funds will be modified into the local grant and will be available to replaced the formula funds expended on initial services.
- 6. DWD will immediately initiate a grant modification package to send to the WIA fiscal agent. If a Supplemental Sub-state Allocation is anticipated in the immediate future, the grant modification may be held pending receipt of the SSA proposal so that only one modification is necessary.

- **Supplemental Sub-state Allocation (SSA)**

1. The Regional Rapid Response Coordinator will work with the Local Rapid Response Coordinator and One-Stop Operator to determine the need for and amount of any additional supplemental funds to address a specific dislocation event. This may be in addition to the Emergency Grant funds.
2. The Workforce Investment Area in conjunction with the Regional Rapid Response Coordinator will be responsible for the development of any request for additional assistance. The involvement of the Regional Rapid Response Coordinator ensures that plans submitted to the state are essentially ready to be funded and can be more quickly reviewed and acted upon.
3. The proposal for SSA will be part of a strategic plan for community response to the dislocation event. It will build on the Emergency Grant request, so information provided as part of the Emergency Grant does not need to be repeated. However, a copy of the Emergency Grant application must be attached. The SSA proposal will address:
 - requested start and end dates for the grant
 - the type of services to be provided and how the service mix was determined
 - the proportion of affected workers anticipated to receive each type of service
 - resources that may be contributed by the employer (such as outplacement services and severance packages), the community (such as financial aid

counseling and other service offered by banks or community-based organizations, and local tax dollars contributed by the elected officials for services), and the partners (including how the various One-Stop partners will utilize their existing resources to address the event).

- whether an application for TAA or NAFTA TAA is appropriate and being filed and how those resources fit into the strategy.
 - projected outcomes.
 - part of the strategic plan may be the development of a National Reserve Account (NRA) proposal. DWD expects that in any case where an NRA grant is appropriate, the local planning team will actively pursue such federal funds.
4. SSA money may be used for all rapid response activities including pre-layoff, core, intensive, and training services. However, it is DWD's expectation that the 25% Rapid Response funds will be used primarily for pre-layoff, core, and intensive services and that additional funding from the State Workforce Development Fund will be targeted to training that will result in credentials. DWD will determine the mix of 25% Rapid Response funds and State Workforce Development funds that will be used to address the proposal.
 5. Administrative funds will be limited to 10% of the funds to be granted to the WIA fiscal agent. Funds to be utilized by DWD staff should be indicated in the proposal and will be held at the state level for time charging.
 6. Proposals will be signed off by the WIB Director and state unit's Regional Rapid Response Coordinator. The Rapid Response Coordinator will be responsible for delivering the proposal to the DWD Policy and Planning Unit and follow-up as necessary.
 7. The Policy and Planning Division will coordinate internally, request the necessary grant modification package from fiscal, prepare the award letter and recommend funding to the Deputy Commissioner of Field Operations.
 8. Upon approval and signature by the Deputy Commissioner, the Policy and Planning Division will mail the award packet to the WSA.

Effective Date:

July 1, 1999

Ending Date:

June 30, 2004

Action:

Regional Rapid Response Coordinators in conjunction with state and local staff, and in support of the WIBs, will take the lead in ensuring that strategic planning is accomplished to develop a coordinated response to each dislocation event. WIB Directors, Program Directors, and One-Stop Partners are to be aware of the information provided in this communication regarding services for dislocated workers, funding, and rapid response responsibilities and plan of service.